

Single Credit Rating from Credit Bureaus

The three major credit bureaus, Equifax, Experian and TransUnion announced they will begin marketing a single credit score, called VantageScore, to lenders this year. Initially, the single score will be available to lenders. Consumers will have the option of purchasing the score at a later date. With the introduction of the VantageScore, consumers will have access to purchasing five different credit scores.

According to the Wall Street Journal, the VantageScore will be a competitor to the industry leading score, the FICO scoring system. The FICO scoring system is developed and marketed by Fair Isaac Corporation from Minneapolis, Minnesota.

The FICO scoring system has a range of 300 to 850, with 850 being the highest score representing outstanding credit history. The VantageScore system will have a scoring range of 500 to 990 which will correspond to the academic grading system of A through F. A will represent scores above 900 and a B will represent scores between 800 and 900.